



ANNUAL BUDGET OF NDWEDWE LOCAL MUNICIPALITY

2013/2014 TO 2015/16

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

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Table of Contents

PART 1 – ANNUAL BUDGET

1. Mayor's Report
2. Budget Related Resolutions
3. Executive Summary
4. Annual budget tables

PART 2 – SUPPORTING DOCUMENTATION

1. Overview of budget process
2. Overview of alignment of annual budget with Integrated Development Plan
3. Measurable performance objectives and indications
4. Overview of budget related policies
5. Overview of budget assumptions
6. Overview of budget funding
7. Expenditure allocations and grant programmes
8. Allocation and grant made by the municipality
9. Councilor and board member allowances and employee benefits
10. Monthly targets for revenue, expenditure and cash flow
11. Annual budget and service delivery and budget implementation plans – internal departments
12. Contracts having future budgetary implications
13. Capital expenditure details
14. Legislation compliance status
15. Annual budgets of municipal entities attached to the municipalities annual budget

16. Municipal manager's quality certification

1. Mayor's Report

The 2013/2014 financial year is very critical to the Ndwedwe populace in that it marks the second year newly elected councilors after 2011. The 2011/2016 Council leadership being guided by a National call for all 283 country's municipalities to formulate, adopt and execute a Plan to make Local Government Work Better For You, also found itself duty bound to ensure that Ndwedwe Local municipality also set its attainable targets. The ten point development plan prioritizing ten key development tasks against which the Council would have to be measured in 2013 came into being and the same shall apply in the coming budget year.

The plan realistically looks into service delivery backlogs against the available municipal resources and begins to set out the MTREF development path through which the identified key priority needs could be achieved. It's heartening to mention that through visionary leadership and management of both Council and Municipality respectively, staff dedication, ratepayers' continued support and willingness by communities at large to actively partake in municipal programmes has indeed contributed to the realization of the 2011/2016 plan despite the municipality's limited budget against ever increasing community needs.

The Municipality has performed well especially on areas of infrastructure provisioning (access roads, crèches and power substation), preliminary town establishment projects (civic centre and streetlights), public participation, integrated youth development, integrated poverty alleviation measures and building e.g. good financial governance. It is with pride to mention that through this visionary 2011/2016 plan the municipality has over the past five years been receiving the clean bill of health (unqualified audit report) in terms of financial management.

In a nutshell the 2011/2016 plan has laid a solid foundation for Council and Municipality to adhere and foster the financial governance values, principles and practices in a manner that is in tandem with the financial governance legislations and best practices and thereby ensuring that the people of Ndwedwe dream of a better life for all is realized in their lifetime.

Secondly this coming budget year (2013/14) is key in that, people of Ndwedwe through the IDP/BUDGET Izimbizo have acknowledged the good work the 2011/2016 leadership and management of Council and Municipality have done and went further to speak to the key development priorities the new Council leadership will have to execute in the coming years (2013/14 up to 2014/16).

The revised plan encapsulates key priorities which are informed by the five year government priorities are: Expand and Maintain the Infrastructure, Expand and Maintain the Community Facilities, Expand Access to Integrated Poverty Programmes, Deepen Public Participation, Implement Programmes of inclusive and job creation and implement integrated youth development programmes.

Through the budget being tabled today the council/municipality working together with the people and the stakeholders of Ndwedwe will ensure that over the next four or five

years we heed the National call by His Excellency JG ZUMA to all country's municipalities saying **WORKING TOGETHER WE CAN BUILD BETTER COMMUNITIES.**

2. Budget Related Resolutions

Full Council held on the 3rd April 2013 at Council Chamber of Ndwedwe main office to consider the draft budget of the Municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

- 2.1. The Council of Ndwedwe Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopt Medium Term Budget Expenditure Framework;
- 2.2. A1 Schedule municipal draft budget comprises of following tables;
- 2.3. Table A1 Budget Summary;
- 2.4. Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification);
- 2.5. Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote);
- 2.6. Table A4 Consolidated Budgeted Financial Performance (Revenue and expenditure);
- 2.7. Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding;
- 2.8. Table A6 Consolidated Budgeted Financial Position;
- 2.9. Table A7 Consolidated Budgeted Cash Flows;
- 2.10. Table A8 Consolidated Cash Backed Reserves/Accumulated surplus reconciliation;
- 2.11. Table A9 Consolidated Asset Management;
- 2.12. Table A10 Consolidated Basic Service Delivery Measurement;
- 2.13. Tariff of charges for 2013/14 financial year;
- 2.14. Organizational structure for 2013/14 financial year; and
- 2.15. Budget related policies.

3. Executive Summary

This budget represents yet another milestone in the history of this municipality, this draft budget is the third budget approval to be adopted by this Council after 2011 Local Government Elections. The application of sound financial management principles for the compilation of municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitable to communities.

The following legislations, guidelines and circulars were used as sources for the compilation of 2013/2014 MTREF budget.

- Municipal Finance Management Act (No. 56 of 2003)
- Municipal Budget and Reporting Regulations (Government Gazette 32141)
- Budget Formats Guideline
- Annual Division of Revenue Act
- Municipal Structures Act (No. 117 of 1998), as amended
- Municipal Systems Act (No.32 of 2000), as amended
- Municipal Property Rates Act (No. 6 of 2004), as amended
- Municipal Fiscal Powers and Functions Act (No. 12 of 2007)
- MFMA Circular 12: Definition of Vote in MFMA
- MFMA Circular 42: Funding a Municipal Budget
- MFMA Circular 58: Municipal Budget Circular for the 2012/13 MTREF
- MFMA Circular 66: Municipal Budget Circular for the 2012/13 MTREF 24 January 2013
- MFMA Circular 67: Municipal Budget Circular for the 2012/13 MTREF 12 March 2013
- Local Government Capital Asset Management Guideline

These documents are available on the National Treasury's website.

Lack of reasonable revenue base for the municipality always remain a major challenge and it poses a serious threat to service delivery targets. The high level of conditional grants to a certain extent does not address the immediate needs of the community as per priorities of the IDP. Development of Revenue Enhancement Strategy directly responds to lack of revenue base challenge.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarized as follows:

- Slow pace of Town development and proclamation thereof,
- High number of poorly maintained community access roads or non existent at all.
- Substantial need of community infrastructure e.g. Sportsfields
- The perpetual increase of Eskom electricity supply hence water supply by District Council.
- The need to increase municipal fleet in order to meet minimum service delivery standards
- Maintain an adequate balance filling the vacant posts and budget percentage of salaries against overall budget.
- The high prevalent of indigent households within Ndwedwe municipality.
- The re-demarcations of municipal boundaries has adversely affected revenue base
- Lack of revenue base

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI.
- Budget items that were not properly utilized during March 2013 were considered versus the SDBIP and other competing needs from other budget items.
- The 2012/13 Adjustments Budget priorities and targets, as well as the baseline allocations contained in that Adjustments Budget were used as the upper limits for the baselines for the 2013/14 annual budget.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2013/14 MTREF

R thousand	Adjustment Budget 2012/13	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Total Operating Revenue	108,986,329	141,042,969	149,220,000	173,809,002
Total Operating Expenditure	72,427,757	80, 226, 969	95, 226000	110,044,002
(Surplus)/Deficit for the year	(36,558,482)	(60,816,000)	(53, 954,000)	(63,765,000)
Total Capital Expenditure	36,558,482	60,816,000	53, 954,000	63,765,000

Total operating revenue has increased by 29, 0 per cent or R31.86 million for the 2013/14 financial year when compared to the 2012/13 adjusted Budget as per Table A1- Budget Summary. For the two outer years, operational revenue will increase by 5 percent and increase by 16 per cent respectively, equating to a total revenue growth of R32 million over the MTREF when compared to the 2012/13 financial year adjusted budget. This is mainly due to the substantial increase on the Equitable Share allocations and also other conditional grants allocations to the municipality.

Total operating expenditure for the 2013/14 financial year has been appropriated at R80,22 million when compared to R72.42 million for the 2012/13 Adjustments Budget, operational expenditure has grown by 11 per cent in the 2013/14 budget and by 18 per cent and 15 per cent respectively for outer years of the MTREF. The projected operating surplus is ring-fenced for Capital Expenditure as indicated on the table.

The Capital Expenditure has increased by 66 per cent when compared to the 2012/13 Adjusted Budget. For the two outer years the total capital expenditure will decrease by 12 per cent and increase by 18 per cent respectively. Source of funding for total capital budget for 2013/14 is 99.8 per cent financed through conditional grant funding whilst the remainder is financed through Equitable Share allocation, the two outer years capital funding is 100% of conditional grants, and 88% conditional grants, 12% of equitable share respectively.

- **Operating Revenue Framework**

Existence of Revenue Enhancement Strategy is a good catalyst of ensuring that limited sources of revenue available are utilized to the full benefit of Council. Revenue enhancement strategy is implemented and forms part of daily operations of the Finance department. The changes of municipal boundaries also have a huge impact on the operating revenue of the municipality.

National Treasury's MFMA circular No.51 deals, inter alia with the implementation of the MPRA, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. Ndwedwe municipality always complies with the provisions of the regulations when setting up tariffs on assessments rates.

The new valuation roll is exclusive of properties that have been re-demarcated into KwaDukuza municipality. Municipal Value submitted the amended valuation roll now we are able quantify the extent of revenue loss as a results new municipal boundaries came into being in the recent local government elections. Since 2011/12 financial year was the last period of assessment rates phase-in, the rate randage is reviewed with an aim to ensure that rate payers do not entirely absorb the sudden increase.

- **Operating Expenditure Framework**

The Council's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA,

- The capital programmes are aligned to the asset renewal strategy and backlog eradication plan,
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The budgeted allocation for employee related costs for the 2013/14 financial year totals R31.04 million (including Councilors salaries and allowances) which equals 39 per cent of the total operating expenditure. At the time of preparing 2013/14 MTREF budget SALGA was yet to issue a directive in terms of possible percentage increase on salaries. Adjusted budget salary increase is based on MFMA Circular No. 67 probably before the final budget is adopted SALGA would have given a clear direction in this regard. A full review approach for salaries and allowances was used for budget preparations to ensure the reliability of figures in that respect on conjunction with MFMA Circular No. 67 moving forward.

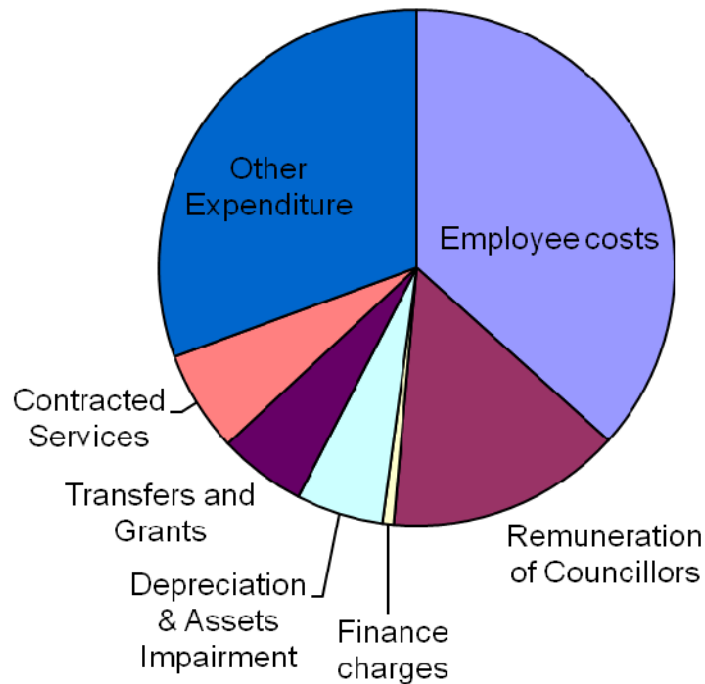
The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's adjusted budget.

Provision for depreciation and asset impairment has been informed by the municipality's Fixed Asset management policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total to R3 300 000 for 2013/14 financial year and equates to 4.1 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0, 5 per cent (R420 000) of operating expenditure excluding annual redemption for the 2013/14.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The following graph displays the main expenditure categories for the 2013/14 financial year.

Main operational expenditure categories for 2013/14



- **Priority given to repairs and maintenance**

A substantial budget is allocated towards upgrading of access roads and sport fields, the allocation for repairs and maintenance classified as contracted services is 10.3 per cent of the total operating expenditure budget for the 2013/14 financial year. Technical department is yet to come up with a properly quantified asset renewal strategy and repairs & maintenance plan for the municipality which shall inform the future budgets for repairs and maintenance. In order to alleviate budgetary constraints to the municipality it would be prudent for the municipality to hand over to department of transport all roads that have been completed and in compliance with specifications of Provincial department of roads and transport.

- **Capital Expenditure**

For the 2013/14 infrastructure budget is R60,82 million with the following projects:

- MIG R25.92 million;
- Electricity R11 million;
- Neighborhood R19.77 Million; and
- Rural Household R4 million.
- Equitable share R130 thousands

No provision for additional fleet or plant and equipment which is a due to limited financial resources however the need to have additional fleet is there in order to ensure proper service delivery. A detailed capital budget is attached for ease of reference (A Schedule).

4. Annual budget tables

All budget tables as required in terms of Section 8 of the municipal budget and reporting regulations are enclosed as part of this analysis.

PART 2 – SUPPORTING DOCUMENTATION

1. Overview of budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio for Finance.

- **Budget Process Overview**

- In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.
- The Mayor tabled in Council the required the IDP and budget time schedule on 1 August 2011. Key dates applicable to the process were:
 - ✓ **August 2012** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2012/13 MTREF;
 - ✓ **September to November 2012** – Prepare draft IDP review, budget and OPMS. Present to Executive Committee Members and Council Members, advertise, community consultation and,
Closing dates for comments in draft IDP review
 - ✓ **December 2012** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
 - ✓ **January 2013** – Incorporate comments received, present draft IDP review, budget and OPMS to Exco for recommendations, present draft IDP review to Council and submit to DLGTA for assessments
 - ✓ **January 2013** – Assess mid-year budget and performance to inform adjustment, Mayor tables budget adjustment for the current financial year and council budget adjustment
 - ✓ **February to March 2013** – align draft budget and IDP review report, finalise budget for the next three years in prescribed format, Mayor tables draft multi-years' budget, tariffs and budget policies to council,
 - ✓ **April 2013** – Public consultation, closing date for written comments.
 - ✓ **6 to 21 May 2013** – finalization of the 2013/14 IDP and 2013/14 MTREF, taking into consideration comments received from the public, comments from National

Treasury, and updated information from the most recent Division of Revenue Bill and financial framework

- ✓ **31 May 2013** - Tabling of the 2013/14 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

- IDP and SDBIP

This is third review of IDP adopted by the council in May 2011

It started in September 2012 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2013/14 MTREF in August.

- Financial Modeling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modeling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- Municipality growth
 - Policy priorities and strategic objectives
 - Asset maintenance
 - Performance trends
 - The approved 2012/13 adjustments budget and performance against the SDBIP
 - Cash Flow Management Strategy
 - Debtor payment levels
 - Loan and investment possibilities
 - The need for tariff increases versus the ability of the community to pay for service
 - Improved and sustainable service delivery
- In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritization process.

- Community Consultation

The draft 2013/14 MTREF as tabled before Council and for community consultation was published on the Ilanga Newspaper, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

In addition a further development of this year's consultation process included Mayoral Izimbizo. All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilized to facilitate the community consultation process during April 2013, and included public briefing sessions.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalization of the 2013/14 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

2. Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

Refer to table SA4, SA5, SA6 and SA7 highlights the IDP's five strategic objectives for the 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

3. Measurable performance objectives and indications

The Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organizational performance which in turn is directly linked to individual employees' performance. At this stage performance management applies to Section 57 employees and the municipality intends to cascade it to junior employees.

- Free basic Services

Not applicable in our municipality

- **Providing clean water and managing waste water**

Not applicable in our municipality, it is a District function.

4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The council approved 2013/14 MTREF budget and the following budget related policies

- Review of credit control and debt collection policies
- Asset Management Policy
- Supply Chain Management Policy
- Budget and Virement Policy
- Cash Management and Investment Policy
- Tariff Policies
- Tariff Increases;

5 Overview of budget assumptions

- **Key focus areas for the 2013/14 budget process**

The 2013 Budget Review notes that spending plans outlined in the 2013 Budget continue to support government's commitment to broadening service delivery and expanding investment in infrastructure, while taking account of the constrained fiscal environment. South Africa's economy has continued to grow, but at a slower rate than projected at the time of the 2012 Budget. GDP growth reached 2.5 per cent in 2012 and is expected to grow at 2.7 per cent in 2013, rising to 3.8 per cent in 2015. Inflation has remained moderate, with consumer prices rising by 5.7 per cent in 2012 and projected to increase by an average of 5.5 per cent a year over the period ahead.

The Municipality medium-term expenditure framework (MTEF) is aligned with the National Development Plan (NDP) as a point of departure. The NDP sets out an integrated strategy for accelerating growth, eliminating poverty and reducing inequality by 2030. The NDP supported by the New Growth Path and other programmes provides a platform to look beyond the current constraints to the transformation imperatives over the next 20 to 30 years. The NDP emphasises the need to lower the cost of living for households and reduce the cost of doing business for small and emerging enterprise. These objectives need to take into account fiscal sustainability, which ensures that progress will not be interrupted or reversed. This will also entail shifting the composition of spending from consumption towards capital investment.

- **Inflation forecasts**

Ndwedwe municipality have taken into account the macro-economic forecasts during the preparation of 2013/14 budget: the following table gives the GDP growth and CPI inflation indication.

Fiscal year	2012/13 Estimate	2013/14	2014/15 forecast	2015/16
Real GDP	2.5	3.0	3.6	3.8
CPI inflation	5.6	5.6	5.4	5.4

Source: Budget Review 2013

Note that the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

- **Employee related costs**

Ndwedwe municipality has taken into account the multi-year Salary and Wage Collective Agreement for the period 1 July 2012 to 30 June 2015. The agreement provides for a wage increase based on the average CPI for the period 1 February 2012 until 31 January 2013, plus 1.25 per cent for the 2013/14 financial year.

In this regard Ndwedwe municipality has noted that average CPI for this period is 5.6 per cent. Salaries and wages for the 2013/14 budget year are as follows 5.6 per cent plus 1.25 per cent which is 6.85 per cent. The agreement also provides for a 1 per cent increase for the 2014/15 financial year. In this regard, municipality has provided for a 6.4 per cent (5.4 per cent plus 1 per cent) increase for the 2014/15 budget year. Please also refer to executive summary for explanatory information for an approach used.

- **Revising rates, tariffs and other charges**

In addition to the issues dealt with in MFMA Budget Circular 66 and 67, Ndwedwe local municipality has noted following:

- **Eskom bulk tariff increases**

The Eskom price increase of bulk electricity supplied to municipalities will increase by 8 percent on 1 July 2013. NERSA approved an annual 8 per cent increase in the bulk price of electricity in terms of the third multi-year price determination application applicable for the period 2013/14 to 2017/18. The full media statement detailing NERSA's decision to approve an 8 per cent increase can be accessed at: www.nersa.org.za.

6 Overview of budget funding

- **Medium-term outlook: operating revenue**

The following table is a breakdown of the operating revenue over the medium-term:

Description	Budget year 2013/2014 (R 000)	Budget year 2014/2015 (R 000)	Budget year 2015/2016 (R 000)
Property rates	4791	5098	5475
Investment revenue	3000	3000	3000
Transfers recognized - operational	71622	82088	94435
Other own revenue	999	851	914

- **Medium-term outlook: capital revenue**

The following information is a breakdown of the funding composition of the 2013/14 medium-term capital programme:

Sources of capital revenue over the MTREF are transfers from National Treasury and Provincial Treasury, refer to A5 and SA18.

- **Cash Flow Management**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table A7 and SA30 is consistent with international standards of good financial management practice and also improves understandability for councilors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from „Ratepayers and other“ to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

- **Cash Backed Reserves/Accumulated Surplus Reconciliation**

Table A8 meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA.

7. Expenditure allocations and grant programme

The expenditure on grants is clearly allocated on Table SA19.

8. Councilors salaries and allowances and employees benefits

Councilors and employees remuneration are clearly outlined in Table SA22 and SA 23

9. Allocations and grants made by the Municipality

The Municipality projects that there won't be any allocations and grants made by it.

10. Monthly targets for revenue, expenditure and cash flow

Monthly targets are clearly outlined in table S.A25, SA26, SA27, SA28, SA29 And SA30.

11. Annual budgets and SDBIPs – internal departments

Annual budget was approved by council on the 31 May 2012 and the SDBIP will be approved by the council within council within 28 working days.

12. Contracts having future budgetary implications

No contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

13. Capital expenditure details

Capital expenditure programmes are clearly outlined in table SA34A, SA34C and SA36.

14. Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- **In-year reporting**

Reporting to Provincial Treasury and National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) is also done on monthly basis.

- **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

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- **Budget and Treasury Office**

The Budget and Treasury Office has been established in accordance with the MFMA.

- **Audit Committee**

An Audit Committee has been established and is fully functional.

- **Service Delivery and Implementation Plan**

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in May 2013 directly aligned and informed by the 2013/14 MTREF.

- **Annual Report**

Annual report is compiled in terms of the MFMA and National Treasury requirements.

- **MFMA Training**

The MFMA training module in electronic format is presented at the Municipality and training is ongoing.

- **Policies**

An amendment of the Municipal Property Rates Regulations as published in Government Notice has been complied with.

15. Other Supporting Documentation

Other supporting documentation in terms relevant budget laws and regulations are attached.

16. Municipal Manager's quality certification

I, **THEMBEKA CIBANE**, Municipal Manager of Ndwedwe Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Municipal Manager of Ndwedwe Municipality (KZN 293)

Signature

Date

(NB: Signed Certificate will be forwarded)